Ref.	Steps In Presenting The Topic	Instructor Notes
	3) Project Plan: Next the need must be transformed into a project plan, as it will eventually have to compete with other projects and agency budget dollars within your activity. Competition is keen, so it is wise to have an efficient and effective plan.	
	SHOW VG 1-1: CLASSIFICATION 0F CONSTRUCTION PROJECTS	

CLASSIFICATION OF CONSTRUCTION PROJECTS

* **In Terms of Time**
* **In Terms of Dollar Value**

VG 1-1

- **Question:**
  Ask students to explain what is meant by classification in accordance with time and dollar value.

Let VG 1-1 remain on the screen while discussions are going on. After the discussion period, show VG 1-1a which gives a breakdown and correct descriptions.

Terms of Time:

Short Term (Immediate Needs)
Intermediate (Within 2 years)
Long Range (Within a 5 year budget cycle)

Terms of Dollar Value: (Agency specific)

Minor (Under 1.5 million for GSA)
Major (Over 1.5 million for GSA))

VG 1-1a

Ref.	Steps In Presenting The Topic	Instructor Notes
	• **<u>Question</u>:** What is the definition of acquisition planning? **Use the VAP board to record the answers.**	
T/R 1-8	**<u>Answer</u>:** **Show VG 1-4 and discuss the FAR definition, comparing the FAR definition to the student's definition.**	

ACQUISITION PLANNING DEFINED

FAR 7.101

"The process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the <u>overall strategy</u> for managing the acquisition."

VG 1-4

• **<u>Question</u>:**

What is the Contract Specialist's role in the early stages of defining the need of a project.

<u>Answer</u>:

The early stages of defining a need is the responsibility of the user/client. The Contract Specialist may participate at the request of the user/client and depending upon agency specific policy.

TOPIC: **2.0 SOLICITATION PHASE**

Ref: Chapter 2

Objective: Conduct A Review Of The Procurement Request Documents

Time: 8:00 - 8:05

Method: Lecture

LESSON PLAN

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	2.0 SOLICITATION PHASE	
T/R 2-4	Tell the students to turn to the flowchart in their Text/Reference. Briefly describe the steps involved in the Presolicitation Phase. l. Review Procurement Request. 2 Review Specification & Drawings. 3. Social Program Impacting Construction. 4. Identifying Solicitation Information. 5. Prepare Solicitation Notice. 6. Prepare the Solicitation Using CSI Format and SF 1442. 7. Determine Extent of Marketing Required. 8. Issue the Solicitation. 9. Amend or Cancel the Solicitation.	**Inform the class:** The following questions will be addressed and answered during this lesson? a) Why is a review necessary? b) What is a guide specification? c) Why issue a Presolicitation notice? d) What information must be obtained and entered into the solicitation? e) What is the CSI format? f) What is different about a construction bidder's mailing list? g) How are construction projects marketed? h) What are the procedures when DOL issues change to the Wage Rates?
	Tell the class: The lesson is designed to guide the student in making an initial assessment of the documents making up the request, assuring that: * the specification is in the approved format; * all of the necessary documentation and approvals have been obtained; and * funding, accounting & appropriation data is sufficient.	

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

- **Question:**

  Ask how many students know what a "Guide Specification" is? (Show of hands).

  Answer:

  Various agencies have adopted a series of Guide Specifications to be used by a designer as a guideline for use in designing a construction project. The guides contain various options concerning methods and other matters, which allows for flexibility, called "tailoring".

Show VG 2-3, Purpose of Guide Specifications:

PURPOSE OF GUIDE SPECIFICATIONS

"TO STANDARDIZE THE SCOPE AND FORMAT OF A CONSTRUCTION PROJECT TECHNICAL SPECIFICATION.

VG 2-3.

Remind the students that this is the same question that the contract specialist (Joyce) anticipated being asked by Sondra (The trainee in the contracts office) in the scenario at the beginning of the chapter. One has to not only know what a guide specification is, but more important, what its purpose is.

Joyce decided to provide Sondra with a sample copy of a Guide specification. She believed that studying the example would be the best way for her to learn. Students may examine the same Guide Specification which was provided to Sondra by turning to the Appendix at the end of Lesson 2 of their Classroom Exercise book.

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	• **Question:** Based on a thorough explanation by the instructor, tell the students to turn to the Guide Specification example in the appendix titled "Interior Fire Alarm System", and then ask "In which one of the 16 Divisions of the CSI Format would it be located? **Answer:** **Division 16, Electrical. Note the number at the bottom of each page. The first two digits of the number (16) are keyed to the Division, the last three numbers are pre-designated units of work.**	
	Notice that it provides various choices which can be made, allowing the specification to be "tailored" to the specific project.	
	• **Question:** Most of the subject matter covered in the divisions is self-explanatory. However, what kinds of information would you expect to find under Division l under General Requirements? **Answer:** **Administrative requirements of the specification are located there.** **Show Interactive Viewgraph 2-4, "Name That Division." {NOTE: Place paper over the right hand column of #s to hide from view by students.} Using the List of 16 CSI Divisions as a reference, ask students to identify the division where each of the requirements listed in the viewgraph should be located. As the students list them, record their answers on the blackboard, or directly on the paper overlay of the right hand column of the viewgraph.**	

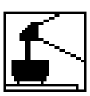
REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

NAME THAT DIVISION

		Answer
1.	Metal Storage Shelving	12
2	Site Lighting (Temporary)	1
3.	Gutters & Downspouts	7
4.	Temporary Lighting	1
5	Metal Stairs	5
6.	Weatherstripping & Seals	7
7.	Exposed Aggregate Concrete	3
8.	Structural Precast Concrete	13
9.	Highway Paving	2
10.	Gas Turbine Generators	11

IVG 2-4

Remove overlay of IVG 2-4 to show correct answers.



Show Viewgraph 2-5 entitled "The CSI Specification Division Format".

THE CSI SPECIFICATION DIVISION FORMAT

PART I	**General Information**
PART II	**Products, Materials**
PART III	**Execution of The Work**

VG 2-5

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

VG EXPLANATION

Inform the students that each of the guide specifications within the 16 Divisions is divided into the three parts shown in the viewgraph.

- **Question:**

  Ask the students to once again refer to the Guide Specification located in the Appendix and find the page where Part I begins in the Interior Fire Alarm System Guide Specification. Note that it is titled “General Information.”

  Part 2? (Product and Material descriptions.)

  Part 3? (How the task is to be performed.)

Answer:	**Guide Specification**
Part 1:	**Page 2**
Part 2:	**Begins on Page 6**
Part 3:	**Begins on Page 23**

- **Question:**

  What kinds of information can you expect to be found in Part I of each Division?

  Answer: **Show Viewgraph 2-6.**

PART 1

PART 1 CONTAINS:
General information such as:

*** The applicable references for the specification.**
*** General description of the project.**
*** Submittals required.**
*** Drawings, and**
*** Matters of safety, etc.**

VG 2-6

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

CLASS EXERCISE CE-2.1 "Reviewing the Procurement Request Package" and "Review of the Specifications and Drawings",

STEP I in the review process. "Reviewing the Procurement Request Package"

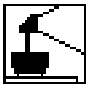
Time: 15 minutes

Method: Group Exercise

Purpose of the Exercise: Advise the students that the exercise represents a procurement request which has been received calling for painting and renovation of a building designed to house students in the CTC complex. The documents submitted contain errors, omissions, and ambiguous statements. By performing an initial review one can quickly identify any missing documents and in doing so, may prevent delays from occurring.

Instruction: CE-2.1 Step I
Tell the students to turn to Classroom Exercise CE-2.1 and locate the procurement request documents beginning on page CE 2-15. Explain that the documents constitute a "typical" procurement request package which may consist of, as a minimum, such documents as contained in the exercise:

* **Memo from the Project Manager.**
* **Description of the project (Encl (1)).**
* **Small Business representative recommendation (Encl (2)).**
* **Cost estimate (Encl (3)).**
* **Funding document (Encl (4)).**
* **Specification No. 12-90-B487 (Encl (5)).**
* **Drawings (Encl (6)).**

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	The three small business programs which have a major impact on construction are reflected in Viewgraph 2-12.	

SMALL BUSINESS PROGRAMS IMPACTING CONSTRUCTION

1. **SMALL BUSINESS SET ASIDES**
2. **SBA 8(a) Set Asides**
3. **Small Business Competitiveness Demonstration Program**

VG 2-12.

	State that under the policy of the Federal Government, proposed construction procurements are reviewed to determine whether to set aside for small businesses or the competitiveness demonstration program, or to negotiate a contract under the 8(a) program. Partial Small Business and labor surplus area set asides are not applicable to construction procurement.	

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	INSTRUCTOR'S KEY TO THE EXERCISE CE-2.3 (Continued)	
FAR Subpart 19.10	• **<u>Question</u>:** Based on the answer just provided, ask for a show of hands as to how many agree with the recommendation made by the Small Business Representative that "this be a total Small Business Set Aside." **<u>Answer</u>:** **Under the present law, if you are one of the target agencies, the solicitation would have to be issued as "unrestricted".**	
	• **<u>Question</u>:** Generally if you do not agree with a recommendation, what action must you, the Contract Specialist, take?	
FAR 19.505	**<u>Answer</u>:** **The Contract Specialist must discuss the recommendation with the Contracting Officer.** **The Contracting Officer must follow the procedures in FAR and decide whether to appeal the recommendation in writing (if it originated with the SBA).**	

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

CLASS EXERCISE CE-2.6, "Prepare Solicitation Using the CSI Format and the SF 1442" (Continued)

Tell the students to complete the exercise based on the following information:

* Solicitation will be issued as an unrestricted procurement.
* Sealed bidding is the chosen means.

Tell students that the deficiencies encountered earlier in a previous exercise, Reviewing Specifications and Drawings have been resolved as follows:

* **There are no foreign made items.**
* **Brand name or equal items have been changed to agree with FAR requirements.**
* **Missing drawings and missing Divisions of the specification have been furnished.**
* **Completion date has been clarified to read 255 days with phased completion, and all other corrections made to the satisfaction of the Contracting Officer, Bill Gibson.**

NOTE: Remind the students that if the solicitation were to be issued as a negotiated procurement, the proper clauses for negotiation would be utilized, the invitation to bid would become a request for proposal, etc. It would not change the format of the solicitation, or the CSI format in arrangement.

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

CLASS EXERCISE CE-2.6, "Prepare Solicitation Using the CSI Format and the SF 1442" (Continued)

Using all of the information gathered in the previous exercise CE-2.4 students are to complete the SF 1442 as follows::

Block 1: Enter the solicitation number.
Block 2: Check whether sealed bidding or negotiation.
Block 3: Enter issue date of solicitation.
Block 4: Contract number.
Block 5: PR number.
Block 6: Project number.
Block 7: and 8 Enter the name of your activity and address.
Block 9: Enter POC's name and phone number.

Using the documents in Exercise CE-2.1 and CE-2.2, as well as your answer sheet from exercise CE-2.4 (pages CE2-145 and CE2-146), enter the following information in Block 10 of the SF 1442:

- Magnitude of the Project
- Project Title
- Project Number
- Site Visit Date

Block 11: Enter performance information.
Block 12: Enter bond information.
Block 13: Enter bid opening date and time.

CLASSROOM EXERCISE
CE-2.6
(Continued)

Block 4: Contract Number

Block 5: PR Number

Block 6: Project Number

Block 7 & 8: Enter the name and address of activity.

Block 9: Enter POC

Block 10: Using the documents in CE-2.1 and CE-2.2, as well as your answer sheet for CE-2.4, enter the following information:

Magnitude of the Project
Project Title
Project Number
Site Visit Date

Block 11: Enter performance information.

Block 12A: Enter bond information.

Block 13: Enter the Bid Opening date and time.

2. On page CE-2.200, under paragraph 3.02 (00120-6, Instructions to Bidders), enter the Small Business Size Standard and (SIC) code. (Refer to Exhibit 2-10 in your Text/Reference.)

3. Following the "Representations and Certifications" and "Labor Provisions," turn to the "Supplementary Conditions." From Paragraph 2.01, enter weather conditions at the site.

4. In Paragraph 4.01 Notice of Requirement For Affirmative Action to Ensure Equal Opportunity, enter the percentage of minority and female goals according to the Hometown Plan which applies to the project.

5. In Paragraph 7, enter the Liquidated Damages which apply to the project.

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

INSTRUCTOR KEY TO EXERCISE, CE-2.6

1. COMPLETE THE SF 1442:

A copy of the SF 1442 with the appropriate information is provided following the Key to the Exercise.

2. Enter all of the necessary information in the proper place within the solicitation.

(a) On page CE2-200 (00120-6), Instructions to Bidders, enter the Small Business Size Standard SIC code which is **17** for this project.

(b) Following the “Reps and Certs” and “Labor Clauses”, turn to the “Supplementary Conditions.” In paragraph 2.01, page CE2-252, enter weather conditions **expected at the construction site.**

(c) **Completion Dates:**

Locate the section titled "Supplementary Conditions", In paragraph 3.01 enter the following information:

(a) "Commence work under this contract within **15** calendar days after the contractor receives the Notice to Proceed".

(c) "Complete the entire work ready for use not later than **375** calendar days".

Since the specification calls for phased completion dates you must also **enter the information concerning the phasing here**. (Refer to Specification 01011-4 and 5, pages CE 2-46, 47).

First Floor East, completion date 120 days from date of commencement.

First Floor West, commencement date 135 days, with completion date 255 days, thereafter.

The information is also entered in Block # 11 on the face of the SF 1442.

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

INSTRUCTOR KEY TO EXERCISE, CE-2.6 (Continued)

(d) In the Supplementary Conditions, paragraph 4.01 (page CE2-255) "Notice of Requirement For Affirmative Action To Ensure Equal Employment Opportunity," enter the appropriate percentage goals for minorities and females as listed in the Hometown Plan.

Minority: 19.7% **Female: 6.9%**

Specify the covered Hometown area as: **Seaside, Santa Barbara County."** (Information obtained from the Description of Project.)

(e) Liquidated Damages:

The amount of liquidated damages was also established in Classroom Exercise 2.4 at **$1,000 per day** based on the chart provided. This amount will be entered in the section "Supplementary Conditions", paragraph 7, page CE2-259

If the contractor fails to complete the work within the time specified in the contract, or any extension thereof, the contractor shall pay to the Government as liquidated damages, the sum of $1,000 per day for each day of delay. This is applicable to Phase I and Phase II.

(f) Wage Rate:

The applicable wage rate was established in Classroom Exercise CE-2.4. It would be inserted in the solicitation in its entirety in a real-life situation. For purposes of this exercise it will be listed in order of placement.

INSTRUCTOR KEY TO THE EXERCISE

SOLICITATION, OFFER AND AWARD *(Construction, Alteration, or Repair)*	1. SOLICITATION NO.	2. TYPE OF SOLICITATION ☐ SEALED BID ☐ NEGOTIATED	3. DATE	PAGE OF PAGES

IMPORTANT - The "offer" section on the reverse must be fully completed by offeror.

4. CONTRACT NO.	5. REQUISITION/PURCHASE REQUEST NO.	6. PROJECT NO.
7. ISSUED BY CODE		8. ADDRESS OFFER TO

9. FOR INFORMATION CALL ▶	A. NAME	B. TELEPHONE NO. (Include area code) (*NO COLLECT CALLS*)

SOLICITATION

NOTE: In sealed bid solicitations "offeror" mean "bid" and "bidder".

10. THE GOVERNMENT REQUIRES PERFORMANCE OF THE WORK DESCRIBED IN THESE DOCUMENTS (Title, Identifying no., date):

Estimated Cost: $ ______________________
(Magnitude)

This project prohibits foreign products.

PROJECT TITLE: ______________________

PROJECT NUMBER: ______________________

This project is issued as: Unrestricted

PRE-BID SITE VISITATION: ______________________ ______________________

Phone

11. The Contractor shall begin performance within ____ calendar days and complete it within _____ calendar days after receiving ☐ award, ☐ notice to proceed. This performance period is ☐ mandatory, ☐ negotiable. *(See ___________)*

12A. THE CONTRACTOR MUST FURNISH ANY REQUIRED PERFORMANCE AND PAYMENT BONDS? (If "YES", indicate within how many calendar days after award in Item 12B.) ☐ YES ☐ NO	12B. CALENDAR DAYS

13. ADDITIONAL SOLICITATION REQUIREMENTS:

A. Sealed offers in original and ____ copies to perform the work required are due at the place specified in Item 8 by ______________ (hour) local time __________________ (date). If this is sealed bid solicitation, offers must be publicly opened at that time. Sealed envelopes containing offers shall be marked to show the offeror's name and address, the solicitation number, and the date and time offers are due.

B. An offer guarantee ☐ is, ☐ is not required. **"in amount of 20% of the bid price."**

C. All offers are subject to the (1) work requirements, and (2) other provisions and clauses incorporated into the solicitation in full text or by reference.

D. Offers providing less than _____ calendar days for Government acceptance after the date offers are due will not be considered and will be rejected.

STANDARD FORM 1442 FRONT- FACSIMILE

(c) Automobile Liability. The Contractor shall provide a automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least $200,000 per person and $500,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

THE ABOVE MAY CHANGE DEPENDING ON THE NATURE OF THE PROJECT AND MUST BE CLEARED THROUGH THE APPROPRIATE LEGAL COUNCIL.

3. <u>SMALL BUSINESS SET-ASIDES AND SMALL BUSINESS-LABOR SURPLUS AREA SET ASIDES:</u>

INCLUDE ONE OF THE FOLLOWING CLAUSES, AS APPROPRIATE.

<u>NOTICE OF TOTAL SMALL BUSINESS-LABOR SURPLUS AREA SET ASIDE (JAN 1991</u>)

(a) <u>Definitions:</u>

"Labor Surplus area," as used in this clause, means a geographical area identified by the Department of Labor as an area of labor surplus.

"Labor surplus area concern," as used in this clauses, means a concern that, together with its first-tier subcontractors, will perform substantially in labor surplus areas.

"Perform substantially in labor surplus areas," as used in this clause, means that the costs incurred under the contract on account of manufacturing, production, and performance of services in labor surplus areas exceed 50 percent of the contract price.

"Small business concern," as used in this clause, means a concern, including its affiliates, that is independently owned and operated, but not dominant in the field of operation is which it is bidding of Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.

PERFORMANCE BOND (See Instructions on Reverse)	DATE BOND EXECUTED (Must be same or later as date of contract.)	FORM APPROVED OMB NO.

Public reporting burden for this collection of information is estimated to average 25 minutes per response, include the time for reviewing instructions, researching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretary (VRS), Office of Federal Acquisition Policy, GSA, Washington, DC. 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0045), Washington, DC. 20503.

PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" answer) ☐ INDIVIDUAL ☐ PARTNERSHIP ☐ JOINT VENTURE ☐ CORPORATION
	STATE OF INCORPORATION
SURETY(IES) (Name(s) and business address(s)	PENAL SUM OF BOND MILLION(S) | THOUSAND(S) | HUNDRED(S) | CENTS
	CONTRACT DATE | CONTRACT NO.

OBLIGATION:
We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:
The principal has entered into the contract identified above.

THEREFORE:
The above obligation is void if the Principal -
(a)(1) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the original terms of the contract and any extensions there of that are granted by the Government, with or without notice to the Surety(ies), and during the life of any guarantee required under the contract, and (2) performs and fulfills all of the undertakings, covenants, terms, conditions, and agreement of any and all duly authorized modifications of the contract that hereafter are made. Notice of those modifications to the Surety(ies) are waived.

(b) Pay to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to the Miller Act, (40 U.S.C. 270a - 270e), which are collected, deducted, or withheld form wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

WITNESS:
The Principal and Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL

SIGNATURE(S):	1. (Seal)	2. (Seal)	3. (Seal)
NAME(S) & TITLE(S) (Type)	1.	2.	3.

INDIVIDUAL SURETY(IES)

SIGNATURE(S):	1. (Seal)	2. (Seal)
NAME(S) & TITLE(S) (Type)	1.	2.

CORPORATE SURETY(IES)

SURETY A				
NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT $
SIGNATURE(S):	1.	2.	
NAME(S) & TITLE(S) (Type)	1.	2.	

Facsimile

STANDARD FORM 25 (Rev 1-90)
Prescribed by GSA - FAR (48(CFR)93.220)

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	• **<u>Question</u>:** What documentation can be used to determine if bids are reasonable? **<u>Answer</u>:** **The construction estimate, referred to as the "brick and mortar" estimate, is based on:** *** A detailed analysis of construction methods.** *** Temporary construction facilities, and** *** Material, labor, and equipment requirements.** **and is used to compare with prices received.**	
	Note: In conducting an analysis you will find that there are no tools available in which to measure a contractor's particular capabilities. Each contractor is proficient in some type or types of work, and less proficient in others, all of which has an effect on price.	
	• **<u>Question:</u>** How is the price analysis performed? **<u>Answer</u>:** **A price analysis is performed by:** *** comparing bids received with Government estimate,** *** comparing prices with other bids or offerors, and** *** using a price analysis technique such as percentages (a common "rule of the thumb" measuring practice used for comparison). Caution the students that percentage comparisons alone should not be used to make a determination. <u>All</u> factors should be considered.**	
FAR 14.406-1	**Note:** You should be able to identify bids that contain an obvious mistake, or are so far out of line that there is an obvious misunderstanding of scope. In these cases, bid verification must be obtained in accordance with FAR.	

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES

INSTRUCTOR'S KEY
CE-3.2
"Responsiveness" (cont.)

Demonstrate on the blackboard:

"Base Bid plus all additive items"

<u>Bidder #7</u>	<u>Bidder #1</u>
$1,437,300	$1,433,000

Bidder #7, the bidder who failed to submit a sufficient bond to cover all items is <u>not</u> the low bidder on all items. Therefore the rule is moot in this case if all items are awarded. However, the rule is one that must be considered on a bond which is insufficient in terms of dollars of items to be awarded.

RULE #2: Therefore, always re-evaluate the responsiveness of a bidder who failed to be responsive due to submission of a bid bond which is insufficient to cover all items, but who <u>would be</u> responsive if lesser items were awarded.

- **<u>Question</u>:**
  But what happens if all items are not awarded? Suppose in an additive/ alternate bid item situation the Base Bid and Item 0001AB are to be awarded. Bidder #7 was initially held to be nonresponsive because of failure to submit a bid bond for 20% of the total for all items in which he bid. Do you resurrect the "nonresponsive" Bidder #7? Or do you award to the next low bidder, which is Bidder #1 due to Bidder #7's responsiveness?

<u>Answer</u>:
In this case Bidder #7 is no longer Nonresponsive. He is now eligible for award because he has sufficient bonding to cover the <u>items to be awarded</u>.

NOT A VALID BOND - - FOR CLASSROOM INSTRUCTION ONLY

Bidder #2 Berdi Bros. Construction Co.

BID BOND (See Instructions on Reverse)	DATE BOND EXECUTED (Shall not be later than bid opening date.) Oct. 30, 1991	FORM APPROVED OMB NO. 9000-0045

Public reporting burden for this collection of information is estimated to average 25 minutes per response, included the time for reviewing instructions, researching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretary (VRS), Office of Federal Acquisition Policy, GSA, Washington, DC. 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0045), Washington, DC 20503.

PRINCIPAL (Legal name and business address)

Berdi Bros. Construction Company
100 State Street
Patterson, NJ 05100

TYPE OF ORGANIZATION ("X" answer)

- [ ] INDIVIDUAL
- [x] PARTNERSHIP
- [ ] JOINT VENTURE
- [ ] CORPORATION

STATE OF INCORPORATION Nevada

SURETY(IES) (Name(s) and business address(s)

Great American Insurance Co.
580 Walnut Street
Cincinnati, OH 45202

PENAL SUM OF BOND					BID IDENTIFICATION	
PERCENT OF BID PRICE	AMOUNT NOT TO EXCEED				BID DATE	INVITATION NO.
	MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS	Oct. 30, 91	47408-91-B-487
	20% of bid				FOR (Construction Supplies or Services)	Construction

OBLIGATION:
We, the Principal and Surety(ies), are firmly bound to the United State of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and jointly and severally, However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purpose, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety, If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:
The principal has submitted the contract identified above.

THEREFORE:
The above obligations is void if the Principal - (a) upon acceptance by the Government of the bid identified above, within the period specified therein for acceptance (sixty (60) days if no period is specified), executes the further contractual documents and gives the bond(s) required by the terms of the bid as accepted within the time specified (ten(10) days if no period is specified) after receipt of the forms by the principal; or (b) in the event of failure to execute such further contractual documents and give such bonds, pays the Government for any cost of procuring the work which exceeds the amount of the bid.

Each Surety executing this instrument agrees that its obligation is not impaired by any extension(s) of the time for acceptance of the bid that the Principal may grant to the Government. Notice to the surety(ies) of extension(s) are waived. However, waiver of the notice applies only to extensions aggregating not more than sixty (60) calendar days in addition to the period originally allowed for acceptance of the bid.

WITNESS:
The Principal an Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL

	1.	2.	3.	
SIGNATURE(S):	Pepe Berdi (Seal)	(Seal)	(Seal)	Corporate Seal
NAME(S) & TITLE(S) (Type)	Pepe Berdi President, Berdi Bros. Construction Co.			

INDIVIDUAL SURETY(IES)

	1.	2.
SIGNATURE(S):	(Seal)	(Seal)
NAME(S) & TITLE(S) (Type)		

CORPORATE SURETY(IES)

SURETY A					
NAME & ADDRESS	Great American Insurance Co. Cincinnati, OH	STATE OF INC. OH	LIABILITY LIMIT $ 51,549,000		Corporate Seal
SIGNATURE(S):	1. James Bolinger	2.			
NAME(S) & TITLE(S) (Type)	1. James Bolinger, Attorney-In-Fact	2.			

Facsimile

STANDARD FORM 24 (Rev 1-90)
Prescribed by GSA - FAR (48(CFR)93.220)

NOT A VALID BOND - - FOR CLASSROOM INSTRUCTION ONLY

Bidder #5 E & H Construction

BID BOND (See Instructions on Reverse)	DATE BOND EXECUTED Shall not be later than bid opening date.) Oct. 30, 1991	FORM APPROVED OMB NO. 9000-0045

Public reporting burden for this collection of information is estimated to average 25 minutes per response, included the time for reviewing instructions, researching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretary (VRS), Office of Federal Acquisition Policy, GSA, Washington, DC. 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0045), Washington, DC 20503.

PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" answer)
E & H Construction 100 74th Street Santa Barbara, CA	☐ INDIVIDUAL ☒ PARTNERSHIP ☐ JOINT VENTURE ☐ CORPORATION STATE OF INCORPORATION

SURETY(IES) (Name(s) and business address(s)

Great Northern Insurance Company
15 Mountain View Road
Warren, NJ 07061

NOTE: FOR PURPOSES OF THIS EXERCISE ASSUME M. EBARB HAS AUTHORITY TO SIGN FOR PARTNERSHIP.

PENAL SUM OF BOND					BID IDENTIFICATION	
PERCENT OF BID PRICE	AMOUNT NOT TO EXCEED				BID DATE	INVITATION NO.
	MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS	Oct. 31, 91	47408-91-B487
20					FOR (Construction Supplies or Services)	Construction

OBLIGATION:
We, the Principal and Surety(ies), are firmly bound to the United State of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and jointly and severally, However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purpose, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety, If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:
The principal has submitted the contract identified above.

THEREFORE:
The above obligations is void if the Principal - (a) upon acceptance by the Government of the bid identified above, within the period specified therein for acceptance (sixty (60) days if no period is specified), executes the further contractual documents and gives the bond(s) required by the terms of the bid as accepted within the time specified (ten(10) days if no period is specified) after receipt of the forms by the principal; or (b) in the event of failure to execute such further contractual documents and give such bonds, pays the Government for any cost of procuring the work which exceeds the amount of the bid.

Each Surety executing this instrument agrees that its obligation is not impaired by any extension(s) of the time for acceptance of the bid that the Principal may grant to the Government. Notice to the surety(ies) of extension(s) are waived. However, waiver of the notice applies only to extensions aggregating not more than sixty (60) calendar days in addition to the period originally allowed for acceptance of the bid.

WITNESS:
The Principal an Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL

	1.	2.	3.	
SIGNATURE(S):	Michelle Ebarb (Seal)	(Seal)	(Seal)	Corporate Seal
NAME(S) & TITLE(S) (Type)	Michelle Ebarb President, B & B Construction Company			

INDIVIDUAL SURETY(IES)

	1.	2.
SIGNATURE(S):	(Seal)	(Seal)
NAME(S) & TITLE(S) (Type)		

CORPORATE SURETY(IES)

SURETY A				
NAME & ADDRESS	Great Northern Insurance Co. Warren, NJ 07061	STATE OF INC. MI	LIABILITY LIMIT $ 5,600,000	Corporate Seal
SIGNATURE(S):	1. Larry Herbert	2.		
NAME(S) & TITLE(S) (Type)	1. Larry D. Herbert, Attorney-In-Fact	2.		

Facsimile

STANDARD FORM 24 (Rev 1-90)
Prescribed by GSA - FAR (48(CFR)93.220)

"PLAYERS"
THEIR ROLES AND RESPONSIBILITIES

TEAM MEMBERS	ROLES and RESPONSIBILITIES
1. Procuring Contracting Officer (PCO)	I enter into and administer contracts. In some instances I am responsible for the contract instrument from "cradle to grave," on all actions.
2. Contract Specialist	I perform contractual tasks under the direction of the Contracting Officer or the Administrative Contracting Officer (ACO).
3. Administrative Contracting Officer (ACO)	As ACO I receive delegated authority from the Procuring Contracting Officer (PCO). I am usually required when the PCO is in a separate location from where the contract is being administered, or in an organization where the functions are divided.
4. Contracting Officer Representative (COR)	I am appointed by the CO with specific technical responsibilities, but I have no monetary authority. I am normally situated at the work site. I provide technical guidance to the Contracting Officer or the ACO and the contractor.
5. Technical Representative	I am one of those various individuals who provides the technical expertise, depending upon the activity organization (i.e., Construction/Design). I have skills relating to such matters as design, specifications, production, quality assurance, inspection/acceptance.
6. Architect/Engineer (A/E)	I act in an advisory capacity only. I am on the approval chain for submittals. The A/E contract may, or may not, have consultation services available as a part of the contract, or available as an option. I also provide for design error solutions to be resolved during the course of the construction.
7. Construction Manager (CM)	I conduct inspections, monitoring, and all other contract administration tasks involved, as if the services were being performed by Government personnel. This is accomplished under a separate contract between the Government and the contractor. No contractual authority is delegated to me. This method of obtaining contract administration services is agency specific. If employed, the contractor's employees would also be members of the team, with specific delegated functions to perform.
8. Inspector	I am experienced in construction and one who performs inspection and surveillance for the Government. I am employed by the Government or I may actually work for the A/E contractor. I also coordinate with the Contracting Officer. I do not have contractual authority. I am definitely required in complex, high dollar projects with extensive inspection and testing requirements.
9. Auditor	I am responsible for field pricing support of negotiated contracts or modifications as required.
10. Project Manager	I manage the overall project, acting as coordinator between the customer, the comptroller and the Contracting Officer. I provide assistance to the Contracting Officer in obtaining funds.
11. Legal Counsel	I am responsible for rendering assistance and advice on all legal and related matters concerning the acquisition. I review bonds for legal sufficiency, disputes, claims, and all other documents that the Contracting Officer seeks to have reviewed.

Exhibit 4-7

TOPIC: 4.3 TRACKING/MONITORING SYSTEM

Ref: Pages 4-16 to 4-17

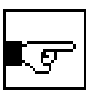
Objective: Upon completion of this lesson topic, students should be able to develop a tracking and monitoring system.:

- Control correspondence, modifications, progress payments, funding, payrolls, insurance, labor provisions, performance, inspection and submittals.

Time: 9:50 to 10:10

Method: Interactive Discussion

LESSON PLAN

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	4.3 TRACKING/MONITORING SYSTEM	
	**Tell the class:** The flow of correspondence through the construction Contract Administrative Office (CAO) is substantial (sometimes overwhelming). It is considered essential to answer all inquiries submitted by the contractor in a timely fashion, since failure to respond to a contractor's notice, questions, or general correspondence in a timely manner may result in a constructive change. A **tracking and monitoring system** is used to: * Collect, * Record, and * Report project data that can be used by the Contract Administrative Office (CAO) to measure, control progress.	

TOPIC 4.4 ISSUE PLANNING FORMS AND NOTICES

Ref: Pages 4-17 to 4-19

Objective: Upon completion of this lesson topic, students should be able to able to issue all forms and notices.

- Provide contractor with forms, names, roles and limitations of authority of government personnel.

Time: 10:10 - 10:20

Method: Directed Discussion

LESSON PLAN

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	4.4 ISSUE PLANNING FORMS AND NOTICES	
	• **<u>Question</u>:** Who is responsible for issuing all of the required forms and notices concerning names of individuals, descriptions of their roles, and limitation of authority of persons involved in contract monitoring? **<u>Answer</u>:** **The contract administrator, or the PCO or ACO.**	
	Required forms and notices are normally provided to the contractor at the Preconstruction Conference; but may be furnished sooner, such as agency specific forms for submission of: * safety program approvals, * schedule of prices, * progress schedules. * payroll related forms, etc.	
T/R 4-19	Have students **turn to** Exhibit 4-10 of their Text/Reference for examples of forms prescribed by the FAR. Review them quickly with the class.	

Ref.	Steps In Presenting The Topic	Instructor Notes
	Show Viewgraph 5-5.	

"GOOD FAITH EFFORT"

- Willful or intentional failure to perform in accordance with the plan, or
- Actions to frustrate the plan.

VG 5-5

- <u>**Question:**</u>
  What happens when it is proven that a contractor has failed to make a "good faith effort" to comply with the requirements of the plan?

  <u>**Answer**</u>**:**
  Proven non-compliance requires assessment of liquidated damages and may be considered a breach of contract.

- <u>**Question:**</u>
  How can you analyze and be sure that the contractor's performance constitutes "good faith effort" under a Subcontracting Plan?

  <u>**Answer**</u>**:**
  It's rather difficult, but there are measures that can be employed, such as:
  *** Questioning employees,**
  *** Carefully monitoring payrolls,**
  *** Examining reports that the contractor is required to file.**

Note: All subcontractor's (except small businesses) that receive a subcontract in excess of $1 million must also adopt a plan similar to the prime contractor's Subcontracting Plan.

Instructor's Key to Exercise CE-6.1

The section of the Classroom Exercise Book for this workshop should include the following documentation:

- A Statement and Acknowledgment (SF 1413) for the Drywall subcontractor.
- The initial payroll for this subcontractor.
- A Labor Standards Interview conducted with one of the subcontractor's employees during the payroll period.
- Daily Reports to Inspector (DRIs) from the prime contractor during the payroll period.

The entire contract wage determination can be found on page CE 6-19 of the Classroom Exercise Book.

There are no problems with the Statement and Acknowledgment for the subcontractor. It is provided simply to show that the subcontractor acknowledged the labor laws requirements in their subcontract. There are no "labor compliance" problems with the DRIs, in spite of the fact that the prime contractor's superintendent did not do a great job filing them out. They are provided so that the students can compare the subcontractor's hours with the hours shown on "Gypsy's" payroll.

There are a large number of deficiencies with "Gypsy's" initial payroll:

1. There is no documentation indicating that Irma McDermott is authorized to sign the payroll. **A letter should be sent to the contractor requesting verification that she is authorized to sign.**

2. The payroll was dated and transmitted two months after the payroll period ended. The letter in 1. above must insist on strict compliance with the payroll submission requirements in contract clause 52.222-8, "Payrolls and Basic Records".

3. Employee addresses and social security numbers are missing. The letter in 1. above should also request a supplemental payroll #1 with this information.

Instructor's Key to Exercise CE-6.1 (Continued)

4. There is no "Drywall helper" classification in the wage determination. Also, there is no indication that the subcontractor requested this additional classification. In any event, the subcontractor did pay this particular employee journeyman wages. The letter in 1. should advise the contractor that, while the rate of pay for Mr. Cartwright equals the wage determination rate, the classification listed on the payroll should reflect the classification shown in the wage determination, if appropriate.

5. There is no apprenticeship agreement provided with the documentation. The letter in 1. above should request either: a copy of the apprenticeship agreement with supplemental payroll #1, or, in the absence of an agreement, an indication in the payroll supplemental that Mr. Daniels is classified as a journeyman and paid the difference between $14.60/hr and $27.20/hr. If Mr. Daniels truly is an apprentice, the payrolls do not show whether he was properly supervised by a journeyman, due to the helper classification shown for Mr. Cartwright, and the lack of hours reflected for the owner.

6. The laborer is underpaid by $2.74/hr (for laborer work) or $7.20/hr (for drywall installer work). The DRIs appear to suggest that all four employees were performing drywall work. In the absence of any other evidence, it is best to assume that Mr. Kim is performing laborer's work. The letter 1. above should advise of the underpayment of Mr. Kim, request appropriate adjustment in the payroll supplement, and insist on evidence of restitution.

7. There are several math errors:
   Tom Cartwright: Gross Amount Earned ($1088), Total Deductions ($478.08), Net Wages ($609.92)
   Lou Daniels: Gross Amount Earned ($584), Total Deductions ($255.24), Net Wages ($328.76)
   Ted Kim: Total Deductions ($342.56)

Instructor's Key to Exercise CE-6.1 (Continued)

8. There is a huge deduction under "Other" for each of the workers. The letter in 1. above should request an explanation of what this deduction is for. It reflects a Copeland Act violation such that the subcontractor paid actual gross wages of $20/hr, $10/hr, and $15/hr, respectively for the three workers.

The Labor Standards Interview is, unfortunately, realistic. The worker is a transient (as indicated by the motel address), possibly an immigrant, with little command of the language. In this example, the fact that the worker answered "no" to every question is more of an indication of communication problems between the interviewer and interviewee than of a labor violation. Also, the interviewee's self-classification as "worker" (as opposed to "laborer") and unawareness of payroll deductions frustrate labor compliance checking. Mr. Barnicky's observations of Mr. Kim performing drywall work and the reported wage rate of $10/hr should flag the attention of the payroll checker. Note again that the payroll came in two months after the interview. If the "Other" deduction of $200 from Mr. Kim's pay is legitimate, the letter in 1. above should request a copy of the canceled paycheck (being careful not to divulge interview answers). As a final note, the instructor should impress upon the students that the interviews are confidential Some employees have been terminated for the honesty of their interview answers when word leaked back to the contractor.

LABOR STANDARDS INTERVIEW			FORM APPROVED OMB NO. 9000-0089
CONTRACT NUMBER 47408-91-C-487	EMPLOYEE'S NAME *(Last, First, M.I.)* Ted Kim		
NAME OF PRIME CONTRACTOR ACE Construction Co.	EMPLOYEE'S ADDRESS *(Street, City, State, ZIP Code)* Seaside Motel		
NAME OF EMPLOYER Gypsy Drywallers	WORK CLASSIFICATION Worker	WAGE RATE $10.00/Hr.	
	SUPERVISOR'S NAME *(Last, First, M.I.)* Mr. McDermott		

	(Check Below) YES	NO
DO YOU WORK OVER 8 HOURS PER DAY?		X
DO YOU WORK OVER 40 HOURS PER WEEK?		X
ARE YOU PAID AT LEAST TIME AND HALF FOR OVERTIME HOURS?		X
ARE YOU RECEIVING ANY CASH PAYMENTS FOR FRINGE REQUIRED BY THE POSTED WAGE DETERMINATION DECISION?		

WHAT DEDUCTIONS OTHER THAN TAXES AND SOCIAL SECURITY ARE MADE FROM YOUR PAY?
Don't Know

HOW MANY HOURS DID YOU WORK ON YOUR LAST WORK DAY BEFORE THIS INTERVIEW?

HOURS	WHAT DATE *(YYMMDD)* WAS THAT?
7	3/11/92 (Yesterday)

WHAT TOOLS DO YOU USE?
Hammers, Knives, Saws, etc.

WHEN DID YOU BEGIN ON THIS PROJECT *(YYMMDD)*?
3/11/92

I HAVE READ THE ABOVE AND CERTIFY IT TO BE CORRECT TO THE BEST OF MY KNOWLEDGE.

EMPLOYEE'S SIGNATURE Ted Kim	DATE *(YYMMDD)* March 14, 1992
INTERVIEWER'S SIGNATURE George Barnicky	DATE *(YYMMDD)* March 14, 1992

INTERVIEWER'S COMMENTS

WORK EMPLOYEE WAS DOING WHEN INTERVIEWED
Installing Drywall

IS EMPLOYEE PROPERLY CLASSIFIED AND PAID? *(IF additional space is needed, use comments section)*
☐ YES ☒ NO

ARE WAGE RATES AND POSTERS DISPLAYED?
☒ YES ☐ NO GB 3/14

FOR USE BY PAYROLL CHECKER

IS ABOVE INFORMATION IN AGREEMENT WITH PAYROLL DATA?
☐ YES ☐ NO

COMMENTS

Mr. Kim had great difficulty speaking and understanding English. It is difficult to determine if he understood the questions. He was observed by me performing drywall installation work.

DATE OF CHECK *(YYMMDD)*	NAME OF CHECKER *(Last, First, M.I.)*	JOB TITLE	SIGNATURE
			Geo. Barnicky

NSN 7540-01-268-0632 1445-101 STANDARD FORM 1445 (10-87)
Prescribed by GSA
FAR (48 CFR) 53.222(g)

U.S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION

PAYROLL

(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)

Form Approved
Budget Bureau No. 44-R1093

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☒
Gypsy Drywallers, Inc.

ADDRESS
P.O. Box 1776, Oxnard Ca. 93043

PAYROLL NO. #1

FOR WEEK ENDING March 16, 1992

PROJECT AND LOCATION Repair/Alt Building 560

PROJECT OR CONTRACT NO. 47408-91-C-487

(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE S 10	M 11	T 12	W 13	T 14	F 15	S 16	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS FICA	WITH-HOLDING TAX	ST. WH.	LOCAL	OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
				HOURS WORKED EACH DAY																
Ulysses McDermott	2	OWNER	O										Salaried Owner							
			S																	
Tom Cartwright	2	DRYWALL HELPER	O																	
			S		8	8	8	8	8		40	27.20	1080	60.48	97.60	24	8	288	480.08	599.92
Lou Daniels	2	APPRENTICE	O																	
			S		8	8	8	8	8		40	14.60	560	30.44	48.80	12	4	160	255.24	304.76
Ted Kim	2	LABORER	O																	
			S		8	8	8	8	8		40	20.00	800	45.36	73.20	18	6	200	343.56	457.44
			O																	
			S																	
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FORM WH-347 (1/68) - FORMERLY SOL 184 - PURCHASE THIS FORM DIRECTLY FROM THE SUPT. OF DOCUMENTS

CE-6.1
Instructor's Key to the Exercise

U.S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION

PAYROLL
(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)

Form Approved
Budget Bureau No. 44-R1093

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☒
Gypsy Drywallers, Inc.

ADDRESS
P.O. Box 1776, Oxnard Ca. 93043

PAYROLL NO.
#1

FOR WEEK ENDING
March 16, 1992

PROJECT AND LOCATION
Repair/Alt Building 560

PROJECT OR CONTRACT NO.
47408-91-C-487

(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE: S 10	M 11	T 12	W 13	T 14	F 15	S 16	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS: FICA	WITH-HOLDING TAX	ST. WH.	LOCAL	OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
				HOURS WORKED EACH DAY																
Ulysses McDermott	2	OWNER	O										Salaried Owner							
			S																	
Tom Cartwright	2	DRYWALL HELPER	O																	
			S		8	8	8	8	8		40	27.20	1088	60.48	97.60	24	8	288	478.08	609.92
Lou Daniels	2	APPRENTICE	O																	
			S		8	8	8	8	8		40	14.60	584	30.44	48.80	12	4	160	255.24	328.76
Ted Kim	2	LABORER	O																	
			S		8	8	8	8	8		40	20.00	800	45.36	73.20	18	6	200	342.56	457.44
			O																	
			S																	
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FORM WH-347 (1/68) - FORMERLY SOL 184 - PURCHASE THIS FORM DIRECTLY FROM THE SUPT. OF DOCUMENTS

Ref.	Steps In Presenting The Topic	Instructor Notes
	Since the Progress Schedule is the basis of measuring progress for payment, it is important that it be carefully reviewed upon initial submission for accuracy.	
P.L. 97258 and 100496	**Tell the Class:** Under procedures that are generally agency specific, timely processing of invoices are always a matter of high priority since passage of the Prompt Payment Act in 1982 (as amended in 1988). The Act requires each Federal agency to pay bills in a timely manner. If bills are not paid in a timely manner, interest must be paid without any demand from the Contractor. Receipt of the contractor's invoice by the contracting office starts the clock ticking. The burden is on the Government to assure that the invoice is correct before passing it on to the Contracting Officer for authorization of payment.	
	Show Viewgraph 6-5	

THE CHECK IS "IN THE MAIL"

1. **Each Progress Payment is due 14 days after receipt of proper invoice.**

2. **Retainages, 30 days after release.**

3. **Final payment, 30 days after invoice, or Government acceptance, whichever is the later.**

VG 6-5

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	• **<u>Question</u>:** What if the Government delay and contractor delay is so intermingled it cannot be factually separated? **<u>Answer</u>:** **BCA cases show that the costs of delay in this case will not be assessed to either party.**	
	• **<u>Question</u>:** If the contractor wishes to file for an excusable delay, she or he has an obligation which must be met under the Default clause. What is that obligation? **<u>Answer</u>:** **The contractor, within 10 days from the beginning of any delay, must notify the Contracting Officer of the delay, as well as the facts surrounding the cause.**	
	• **<u>Question</u>:** In order to recover for a compensable delay claim, the contractor has the burden of proving what? **Instructor lists the answers on the blackboard.** **<u>Answer</u>:** • **Establishing causation.** • **Proving length of delay.** • **Substantiating the absence of concurrent delay.** • **Verifying that the delay was not within its control.**	

subtronic corp.

Electric Sub-Surface Surveys & Instruments
For Locating Buried Pipes, Cables and Drains

July 13, 1989

N. V. Heathorn
2846 Chapman Street
Cedar Falls, Iowa

Ref: Pointer Creek, Iowa

<u>Item 1. Re-Location between Station 90 and Station 113, 4 hours, 7/9/89.</u>
On our return to site the morning of 7/9/89, in order to continue the electronic location of the 8" water pipe line, it was discovered that the stakes inserted the previous day had disappeared. Upon walking the route of the pipe, stakes were discovered lying randomly on either side of the pipe location. Although horses were grazing in these fields, we consider it very unlikely they would kick out every stake in their path. We assume the owner of the property removed the stakes. We re-located and re-staked the entire length.

Our surveyor saw the owner, but at a distance. The owner was recalling her dog from the base of a telephone pole half-way up which sat our surveyor, who had made a hasty retreat upon the approach of the barking hound. (A remarkable feat, considering there were no steps on the pole.)

This feat was repeated next day when an assistant -- who had volunteered to accompany and defend the surveyor against the enthusiastic protector -- was overcome by the ferocity and speed of a sudden attack. The assistant turned tail, passing the surveyor on his way to a nearby electric pole and shot 15' up the pole with the surveyor on his heels, and the dog nor far behind.

How they managed to cling to the pole for almost 20 minutes is still unknown. No one came to call the dog off and it eventually retired, bored but very pleased with its effect and the athletic prowess shown by these two-legged intruders.

<u>Item 2. Walnut Creek Crossing 7/10/89 - 4 hours</u>
The Walnut Creek crossing is at approximately 45 degrees to the perimeter fence of the Solano Way Tank Farms.

subtronic subtronic subtronic

N. V. Heathorn Page 2
July 13, 1989

On July 10th, both sides of the creek were located, but despite repeated efforts with thigh boots and perspiration, the islets along the route of the crossing could not be reached. This left some 700' with a suspected bend at some point with no marks for location of permanent marks.

On July 12th, during a final check on completion, the water level had dropped, so much of the routes were accessible across mud banks, allowing location and marking of the pipe route where the pipe crossed the pieces of land at approximately 25' intervals, which left just one interval of 200' where it lies under water.

Report prepared and submitted by:

____
J. C. Taylor, General Manager

JCT/mln

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	Tell the class: There are various methods of calculating overhead. (Some of these are discussed in more detail in Appendix B). Representative of some of the methods are: The "Normal Method". Percentage of Direct Cost Method. Fixed and Variable Cost Method. Daily Rate method.	
	Tell the class: As long as the method is an approved one, what is more important is that the SAME METHOD BE USED CONSISTENTLY THROUGHOUT THE LIFE OF THE CONTRACT.	
	Note: To the Instructor regarding the subject of unabsorbed overhead: The subject of extended overhead and unabsorbed overhead is one of considerable complexity, and one in which there is not total agreement within the agencies or the courts as to how to calculate this type of overhead. Considerable information is contained in Appendix A concerning the topic. In addition, some additional information is contained on the following page regarding various BCA opinions. The information is included to assist the instructor in handling class discussions concerning the subject. It implies that if negotiating, one can insist upon the use of one formula over another as an element of the negotiation. However, if the case goes before the courts, it is helpful to know what the leanings of the court may be in this regard.	
	• **Question:** Can anyone in the class explain extended overhead?	

REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	CLASS EXERCISE CE-7.4 "Ditch Cassidy & Sons"	
	Case Study **Time:** 60 minutes **Method:** Group **Purpose:** Students will be provided an opportunity to practice evaluation of a delay situation analyzing time and causation. **Instruction:** Break into groups and appoint a spokesperson. You are to read the case study and perform a bar chart analysis by completing the questions presented in the exercise material. At the conclusion the group spokesperson will be called upon to present the group's findings.	
	Instructor will utilize these four viewgraphs, 7-9, 7-10, 7-11 & 7-12, to explain the answers.	

"RETAINING WALL ADDITION"

NOTE TO INSTRUCTOR:
The instructor must be very knowledgeable of the CPM method of Progress Analysis. Time has been allowed in the schedule to literally "walk" the students through the portion of the exercise, using Appendix A as a guide.

Instructor should allow for time to offer special guidance for those students who may not be familiar with "Weighted Guidelines" as they may need some assistance in completing the Weighted Guidelines portion of the exercise. It is not included as part of the instruction, as students should have had Cost and Price Analysis as pre requisite to attending this course.

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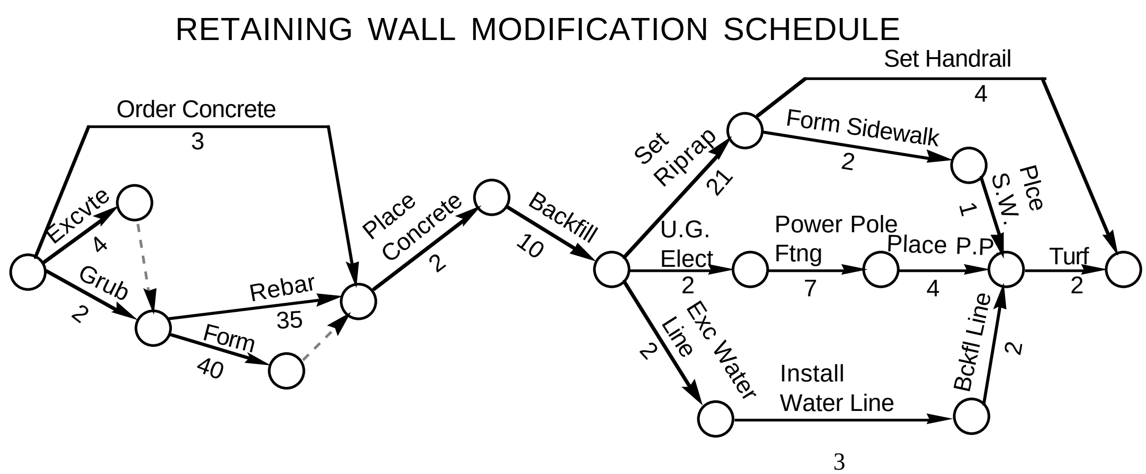
CE-8.7

THE SCHEDULE

Your estimator has put together the following schedule for the additional work based on observations of current field operations. This schedule closely resembles the contractor's overall project schedule for activity precedence and prorated durations. You must now review it for completeness and check to see if it matches your Government cost estimate. Using the CPM Chart below, calculate the number of days to complete, by following the critical path. Use the step by step illustrations in Appendix A of your Text/Reference, as a guide in making your calculations.



CE-8.7
CONTRACTOR'S PROPOSAL

General comments and protest:

"Let it be known that we, Anderson, Sheehy, and Yanez, do not agree with the ACO for not providing us with a copy of the GSA audit findings when we nicely requested a copy from him by our letter, ser ASY/21 of 15 Aug. The ACO knows that our company has been doing a nice job on this project with no problems or disagreements up until now. We are on schedule and the quality is good. We have liked working with the ACO. The ACO knows that I did not agree with all the ways the GSA auditor was disallowing some of our very real costs. How can we know if he will treat us fairly unless we can see with our own eyes on the audit? We are requesting again at this time for a copy of the audit. We reserve the right to ask for more money after negotiations if the GSA auditor has not been fair. We hope that after negotiations we will continue to have nice relations until the project is finished."

Notes On Overhead Calculations:

Home Overhead -

Officer's salaries	$ 450,000
Office rent and utilities	$ 50,000
Support salaries	$ 200,000
Contributions (U.S. Red Cross)	$ 150,000
Supplies and services	$ 200,000
Interest on equipment purchased	$ 50,000
	$ 1,100,000

Field Overhead -

Mobilization and Demobilization	$ 70,000
Office Trailer:	
purchase	$ 20,000
setup	$ 3,000
remove	$ 2,000
salvage loss	$ 10,000
Salaries	$ 200,000
Supplies	$ 24,000
Softball Uniforms	$ 1,000
	$ 330,000

Fringe Benefits: 8.5%

GSA AUDIT REPORT NO. 12-42896/35 CONTRACT 47408-91-C-4221

DIRECT COSTS

LABOR

CLASSIFICATION	AUDITED RATE $/HOUR	PROPOSED RATE $/HOUR	DIFFERENCE $/HOUR
OPERATORS	20.00	25.00	5.00
CRANE OPERATOR	20.00	25.00	5.00
MASON	18.00	18.00	0.00
STEELWORKER	16.00	18.00	2.00
CARPENTER	16.00	16.00	0.00
ELECTRICIAN	18.00	18.00	0.00
LABOR	10.00	10.00	0.00
FLAGMAN	8.00	8.00	0.00
SURVEY CREW	$500/DAY	$500/DAY	0.00
SOIL TEST CREW	$300/DAY	$300/DAY	0.00

EQUIPMENT (ALL OWNED)

TYPE	AUDITED RATE $/DAY	PROPOSED RATE $/DAY	DIFFERENCE $/DAY
GRADER	65.00	65.00	0.00
FRONTEND LOADER	45.00	55.00	10.00
DUMP TRUCK	20.00	35.00	15.00
FORKLIFT	18.00	25.00	7.00
FLATBED TRUCK	18.00	19.00	1.00
SMALL CRANE	45.00	45.00	0.00
BACKHOE	25.00	25.00	0.00
ROLLER COMPACTOR	50.00	50.00	0.00
PUMP TRUCK	30.00	35.00	5.00
TRENCHER	35.00	40.00	5.00
HAND COMPACTOR	10.00	15.00	5.00
VIBRATORS	10.00	15.00	5.00
SMALL TOOLS	3.00	15.00	12.00

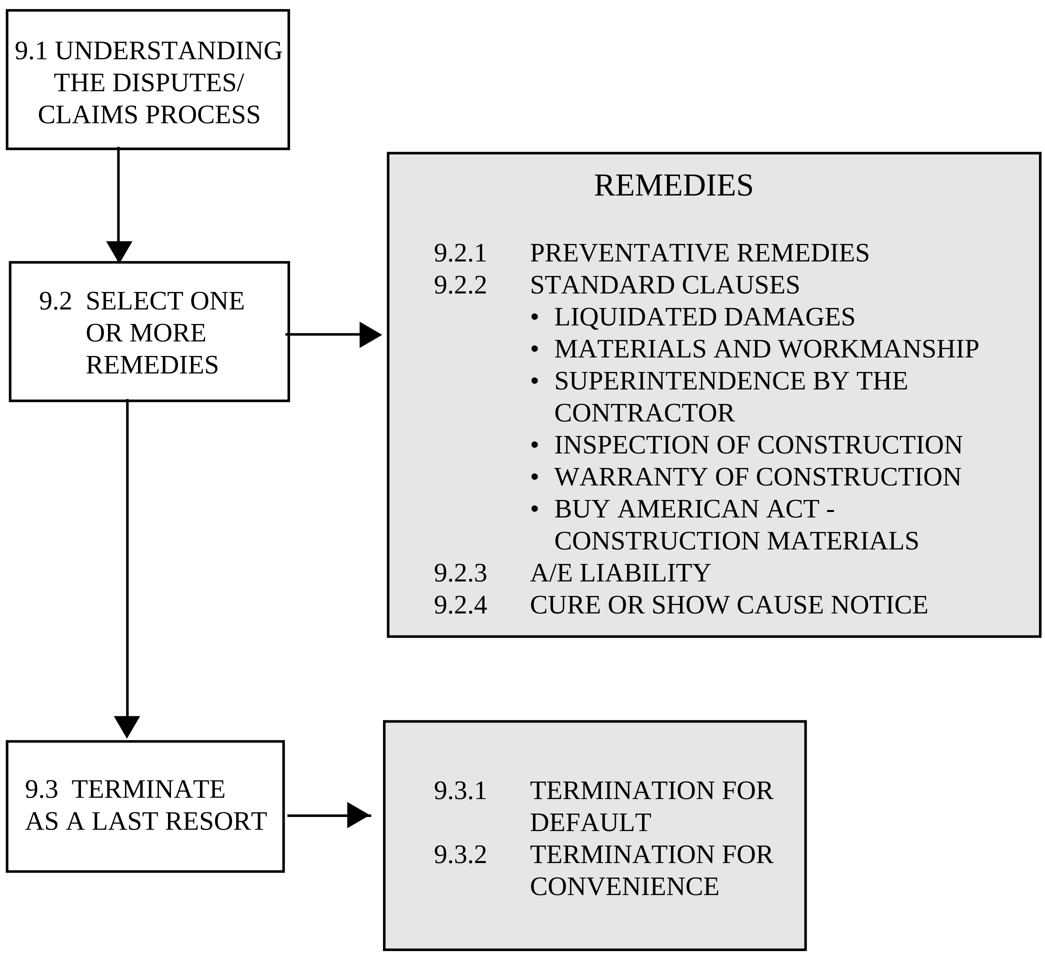
MATERIAL

CLASSIFICATION	AUDITED RATE	PROPOSED RATE	DIFFERENCE
REBAR	$400.00/TON	$400.00/TON	$0.00/TON
WALL FORMING	$1.00/SF	$1.50/SF	$0.50/SF
CONCRETE	$80.00/CY	$80.00/CY	$0.00/CY
BACKFILL	$5.00/CY	$6.00/CY	$1.00/CY
RIPRAP	$45.00/TON DEL	$45.00/TON DEL	$0.00/TON DEL
HANDRAIL	$10.00/LF	$12.50/LF	$2.50/LF
SDWK FORMING	$3.00/LF	$3.00/LF	$0.00/LF
EXPANSION MATL	$0.50/LF	$0.75/LF	$0.25/LF
POWER POLES	$3000.00 EA	$3000.00 EA	$0.00 EA
WATERLINE	$10.00/LF	$20.00/LF	$10.00/LF
TURF	$5.00/SY	$5.00/SY	$0.00/SY

GOVERNMENT ESTIMATE (ADJUSTED) Page 4

ITEMS OF WK	QTY	UNIT	MATERIAL		EQUIPMENT				LABOR				*SUB TOTAL*
			UNIT COST	TOTAL COS	TYPE	DAYS	$RATE	TOTAL $	TYPE	HRS	$RATE	TOTAL $	*ITEM OF WK $*
INST WTR LNE	100	LF	10	1000	FB TRUCK	3	18	54	OPERATOR	24	20	480	1534
Say 3 days for installing				0				0		0	0	0	0
the line.				0				0	CARPENTER	48	16	768	768
1 FB Truck x 3 days				0				0				0	0
1 Operator x 3 days													
2 Carpenters x 3 days													
SUB TOTALS				1000				54				1248	2302
BKFL WTR LN	100	LF	0	0	FE LOADER	2	45	90	OPERATOR	16	20	320	410
				0	DUMP TRUCK	2	20	40	OPERATOR	16	20	320	360
				0				0		0	0	0	0
				0				0	LABOR	16	10	160	160
				0				0				0	0
SUB TOTALS				0				130				800	930
TURF	211	SY	5	1055	FE LOADER	2	45	90	OPERATOR	16	20	320	1465
Turf Area				0				0		0	0	0	0
Wide-Sidewalk x Long				0				0	LABOR	16	10	160	160
(27'-8') x 100				0				0				0	0
9ft/sy													
SUB TOTALS				1055				90				480	1625
TOTALS				49715				7796				125176	182687

STEPS IN UTILIZING REMEDIES



REF	STEPS IN PRESENTING THE TOPIC	INSTRUCTOR NOTES
	• **<u>Question</u>:** The A/E Liability Clause is listed as a remedy. Who can explain why to the class? **<u>Answer</u>:** **If the Government is forced to change a specification because it is defective, remedies may be sought from the A/E contractor who designed the project.** **The A/E is responsible for ensuring:** **• Professional quality** **• Technical accuracy, and** **• Coordination of all services required under its contracts.**	
	Cure and Show Cause Notices are remedies provided to show the contractor that the delinquency is so serious that you are considering terminating the contract. The FAR prescribes their use.	
	• **<u>Question</u>:** Is it mandatory that Cure and Show Cause Notices be issued prior to termination? **<u>Answer</u>:** **The procedure is not required by the Default clause in a construction contract.**	
	• **<u>Question</u>:** What, then is the advantage of issuing a Cure or Show Cause Notice? **<u>Answer</u>:** **Beneficial to allow the contractor to correct or cure the failure. Will also put the surety on notice.**	